

What makes a successful cultural and creative product? —from the perspective of marketing

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Abstract: Against the backdrop of today's time, which spiritual consumption is becoming increasingly important in people's daily lives. Many cultural and creative products are encroaching on people's personal space. As more people begin to purchase cultural and creative products, cultural and creative businesses benefit greatly and grow quickly. In this paper, we first conclude the common characteristics of all cultural and creative products, and then we highlight some flaws in these products. Following that, we examine POP MART's marketing strategy using the 4Cs marketing theory. This lays the groundwork for the next section, which discusses how a cultural and creative product can be successful. Firstly, pay more attention to IP development; secondly, they should combine both online and offline marketing; thirdly, they should adapt new technology to display their product's feature or update their product design; fourthly, try to co-branding; lastly, use new media like internet celebrity. Through reading this paper, the features of cultural and creative products can easily be understood. Moreover, this paper provides some theoretical supports and directions for many cultural and creative companies to improve or transform.

1. Introduction

People are becoming more concerned with enriching their spiritual lives as they become wealthier in material terms. Increasingly people, particularly young people, are willing to pay a high price for cultural products such as action figures of their favorite characters and everyday items with unique designs. People are discovering new ways to deepen their spiritual lives by engaging in various cultural products and services. As a result, many businesses now have new business opportunities. China's economy has grown rapidly in recent years, and many excellent cultural industry companies have emerged in China. Besides, the Internet has benefited many cultural industries in a variety of ways, from product design to product marketing. This paper's contents will discuss the marketing strategies of cultural and creative products.

2. The features of cultural and creative product

Cultural and creative product refers to an outcome of design activities in which cultural resources and elements are creatively and strategically utilized, and transformed into new products. [1] Cultural and creative products usually rely on people's creativity, special skills and some talents. Many products will be given a higher economic value after some special designing and processing. Some cultural and creative products benefit from modern high technology as well. Most cultural and creative products share some characteristics, which will be discussed further in the following section.

2.1 Highly relevant to the characteristics of the time

To be competitive in the market, a cultural and creative product must follow current trends. Designers and manufacturers of these items must be aware of current fashion trends. Take, for example, POP MART, a top company that leads the trend of fashion toys and has achieved some success in the cultural and creative industries; the designers of POP MART are usually very sensitive

to what is popular among the youth. They typically have a very good understanding of what young people like today and then design and manufacture products that cater to these young people.

2.2 Highly relevant to information, technology and media

It is because many cultural and creative products have rich spiritual connotations that it is particularly important to convey the cultural connotations behind them to consumers. The internet provides a perfect platform for designers to reach to their consumers and serves as a medium for consumers and designers. Besides the internet, which is the biggest media for promoting cultural and creative products, there are still some other medias to promote the products, such as some subway ads, roadside ads, outside ads, big screen ads or even the old-style flyer. Technology can also help cultural and creative products be more productive, it can also make more designers' fabulous designs to be possible and makes them easier to transfer from just design to cultural and creative products. Technology can also provide designers with new ideas and guarantee better quality works. Moreover, technology can also be applied to promoting products, to make cultural and creative products better understand by the consumers. Cultural and creative products also rely a lot on information, they need to get the newest information to lead the trend and fashion, otherwise they will easily be obsolete by the time.

2.3 A high level of integration

Cultural and creative products also have a high level of integration, it means usually cultural and creative products will combine two different parts, which refers to the cultural background and the product itself. For example, the cultural and creative products made by the Palace Museum usually are stationery like the tape rolls, some notebooks, pens or even some cups. These kinds of goods can easily be combined with the traditional Chinese culture by the magnificent design of the designers.

However, there are still some issues with most of today's cultural and creative products. To begin with, these products are updated at a rapid pace because consumer tastes and preferences change all the time. It is not uncommon for some products to be a big hit for a short period of time, but then no one can remember them in this market. Second, many cultural and creative products are very similar to one another. This could make them less competitive in the market. Take the specially designed ice cream in the scenic spots in recent China as an example. At first, people were quite attracted to these ice creams with the representative design of the scenic spot on them. However, since it is quite easy to simulate, these ice creams soon become ubiquitous. Thirdly, many cultural and creative products' technical threshold is too low. Just as the ice cream mentioned above, the reason why it is easy to simulate is the low technical threshold. It does not have any high technical restrictions for others to make the same kind of products.

3. The Marketing Strategies of POP MART

POP MART is a cultural productive company that founded in 2010. It has become very famous for its cultural and creative products. POP MART aims to build a platform covering the whole industry chain of trendy toys with the brand culture of "creating trends and delivering beauty", and centering on the four fields of artist discovering, IP developing and managing, reaching to the consumers and the promotion and cultivation of the culture of trendy toys. [2] As consumers, the products we are most familiar with is their blind box products, with their specially designed cute characters in the boxes, usually price at 59-69 yuan, have successfully attracted many young consumers. The key of their success is their unique marketing strategies. The following part will give an analysis on their marketing strategies, and the marketing theory of 4Cs will be used to do the analysis.

3.1 Consumer

The birth of every trendy toy has the efforts and inspiration of designers. Therefore, the trendy toys are more like the carrier of art, a form of emotional company, which is able to produce emotional

resonance. [3] In order to attract more consumers and be more attractive to their targeted consumers, they have tried their best to search for their target consumers' taste and like. According to Fan (2021), POP MART tried very hard to find the best designers in China, someone who has already gained many likes from lots of fans. They found and signed contracts with many excellent designers such as Xinming Wang. That is how POP MART got the copyright of one of its best sellers Molly. They also signed a contract with the well-known illustrator Pucky and obtained the copyright of Pucky. Then producing a series of popular IP garage kit and selling them in the form of blind boxes, and thus attracting a large number of IP fans to buy the blind boxes. These blind boxes based on the popular IP generated huge sales for POP MART. According to POP MART's 2019 annual report, even though there were 85 IPs in 2019, Molly and Pucky's sales still account for nearly 50%. Therefore, popular IP products are the main revenue source of POP MART, and it is the fans of popular IP that continuously help the development of POP MART. [4]

3.2 Cost

As for the cost strategy of POP MART, here we mainly focus on the purchasing cost of consumers, which can also be seen as "price" strategy in 4Ps. The perfect cost strategy for a company can conclude as not only the selling price is lower than the consumer's psychological price, but also it allows the company to gain revenue. POP MART mainly adopt differential pricing strategy and psychological pricing strategy.

The differential pricing strategy of POP MART is reflected in the big price difference between POP MART's products and other traditional trendy toys and garage kits. Before POP MART enters the market, trendy toys were usually toys for artists and garage kits were favorites for rich garage kit collectors, the targeted consumers were not normal consumers like most of us. Thus, the price of garage kits was normally much higher than regular toys, such as the famous brand Bearbrick, some of their products can even be sold at a price more than ten thousand yuan. However, for POP MART, the price of their blind boxes is usually between 59 yuan to 69 yuan, which is a relatively affordable price and can easily be accepted by most of the young generation consumers. In terms of psychological pricing, the sales price of their hidden products (extremely rare and difficult to obtain, usually one out of hundreds of blind boxes) is the same as the regular ones. Blind boxes essentially take advantage of consumers' eagerness to explore the unknown. On the basis of using this adventurous mentality to stimulate consumption, POP MART further stimulates consumers by launching a limited number of hidden products, so that consumers can produce a kind of psychological dependence and behavioral addiction. [4] This special mode is the key of their business success. Moreover, not just their blind boxes, there are still many other kinds of products: regular garage kit, BJD (ball joint doll) and many other stuffs like pins, phone cases and pendants. The various price of their various product provides a various choice for different consumers. Through this strategy, POP MART has expanded the scale of their targeted consumers. [5]

3.3 Convenience

The convenience strategy refers to the ease with which consumers can purchase products. According to the 4Cs marketing theory, when companies develop a distribution strategy, they should focus more on the convenience of the consumers rather than the convenience of the company. [6] Through good pre-sale, sale and after-sales service to let customers enjoy the convenience during the process of shopping. At first, POP MART only focused on offline retail store. At a time when e-commerce was booming, POP MART stuck to the offline retail model. In August 2012, an angel investor found POP MART. He thought that even though offline consumption has been suppressed by online e-commerce, offline shopping still has somewhere irreplaceable. [7] Since at that time, the e-commerce was still developing and far from mature. The fun part of POP MART's products is to touch it and feel it, which is one specialty for blind boxes. By doing this at that time, POP MART really has provided their customers a good shopping experience. In June 2016, POP MART began to expand its channels and officially entered Tmall. Nowadays, consumers not only can buy POP MART in the offline retail store, they can also buy POP MART's blind boxes through online shopping

applications, WeChat mini apps and also vending machines in many supermarkets. This makes it more convenient for consumers to buy their products at any time any place they like. [5]

3.4 Communication

The communication strategy is much similar to the promotion strategy in the 4Ps model and it requires enterprises to establish a new enterprise & customer relationship based on common interests through positive and effective two-way communication with customers. [6] POP MART designed an app called “PaQu”, which provides a platform for fashionable toys lovers to share and communicate with each other. In this app, consumers can not only buy the newest products at first time, but also, they can exchange with others or sell theirs to others. Everyone can have their own personal home page where they can share their collections and ideas with others, giving POP MART the opportunity to communicate with their customers. [5] POP MART can find more information about consumers’ preferences through this app, which provides a reference direction for future design and product development. Furthermore, these users also unconsciously become the product’s propagandists. In addition to this app, other social media such as Weibo, Xiaohongshu, and TikTok, POP MART also makes a good use of them to communicate with and receive opinions from their consumers. POP MART also have offline channels to communicate with their consumers. The employees in their offline retail stores are usually required to ask about opinions and ideas from their consumers face to face. In the meanwhile, they can also be responsible for recording the sales so that POP MART can get the data of which are the favorite products and IPs for consumers.

4. How can cultural and creative products succeed?

After the analysis of marketing strategies on the successful representative company POP MART, few tips and keys to success for cultural and creative companies can be inferred. The following section will conclude with some useful suggestions for cultural and creative products to implement self-improvement or even transformation.

4.1 Cultural and creative products should place a greater emphasis on IP development in order to provide people with a sense of novelty and to stimulate thought.

Cultural and creative products should always chase up the newest fashion or even lead the fashion. Especially for people from nowadays, since many of them do not need to worry about basic food and clothing, they have a high level of demands on spiritual consumption. More and more people are spending money on cultural and creative products. With such a huge demand in this market, the number of enterprises entering the marketing and starting to make cultural and creative products is gradually increasing. Especially for these years, the market is more competitive than it ever was. The concept of IP is getting more important than ever. In order to survive in the market, all cultural and creative products need to give their consumers a sense of novelty to keep them buying their products. The companies need to constantly innovate and design new attractive products in order to keep their consumers. Like what POP MART is doing, they keep designing new products and also new IPs in order to attract as many consumers as they can. They are also attempting to broaden their audience by doing so, as different IPs or series of their IP products may be appealing to different target consumer groups. Furthermore, one of their core strategies is that each of their IPs and the IPs’ various series of products are always telling different stories, which causes their consumers to think and creates an emotional connection with them. These strategies mentioned above explain why POP MART can consistently keep their consumers and even expand their audience. All the other cultural and creative companies are all suggested to learn from these strategies. Only keep innovating and delivering unique ideas to trigger customer thinking can a product be successful in the market.

4.2 The combination of online and offline marketing modes in order to provide a better experience for customers.

Cultural and creative products usually need to chase up the newest fashion, and the fashion is always something changes very rapidly, which means many of the cultural and creative products have a very short time of popularity. Thus, every cultural and creative companies need to try their best to promote their products as fast as they can. With nowadays' advanced internet technology, marketing activities are not restricted by time and space. Many companies start to do marketing and promotion online. POP MART has done some great job in combining online and offline marketing modes. They started with many offline stores, which aimed at providing the best and most interesting way for their consumers' shopping experience. All of their offline stores are well decorated in order to attract more consumers. With the advancement of ecommerce in recent years, POP MART has also expanded their market to the online channel. This is quite challenging for most of the companies in this field since ecommerce has a very low threshold, as long as one knows how to use the internet, one can start their own business online. What makes POP MART remarkable is that they firstly, they have covered literally every online platform for doing business. Consumers can easily obtain their newest products. Furthermore, they mimic the offline shopping experience in their WeChat mini app, making online shopping as enjoyable as offline. Consumers can experience the blind box selection by shaking their phones in their WeChat mini app, and there are many tiny games for consumers to enjoy on occasion. Another representative company is the Palace Museum, they have the opposite strategy as POP MART, yet they still have succeeded in the market. The cultural and creative products of the Palace Museum started online and they have attracted many fans. Taking advantage of the arrival of the new media era, the Palace Museum's cultural and creative products have created rectangular communication of Weibo, WeChat and Taobao in all aspects. Before launching new products, the Palace Museum uses Weibo, WeChat and other new media to promote cultural and creative products. After launching the products, the Palace Museum will display buyers' shows to continue publicity. The layout of the online publicity platform is also made with the characteristics of the Palace Museum, and the background picture and product picture are all made with the real picture of the Palace Museum, which deeply integrates the history and culture of the Palace Museum with the characteristics of the platform. Taobao was used by the Palace Museum to establish an offline mall based on a large amount of electronic experience, and its decoration style was also integrated into the Palace Museum's classic red wall style. An experience hall has been set up so that visitors can experience history and culture in person and buy cultural and creative products of the Palace Museum while visiting. [8] Both POP MART and the Palace Museum have succeeded in cultural and creative products because of their excellent online and offline marketing. If other companies want to survive in the market, pay attention to both of the two channels is the key to be more competitive. They should select the perfect online platform to attract their targeted consumers, and in the meantime, they should try to maintain or open an offline store to provide a better shopping experience for their customers.

4.3 Adopting new technology to display product features and attract customers

With advancements in technology, many new technologies have changed our life style and the way we do business. Many new marketing strategies has also raised along with this trend. For POP MART, they make full use of the online social media to promote their products, to express their stories and ideas. On the social platform, they share the background story of each of their products in order to communicate with their consumers, and better express their products' feature and the core concept under their tangible products. Another example is the Palace Museum; they combined the tangible cultural and creative products with digital forms. The Palace Museum fully relies on the digital museum and the mobile app platform, so that the audience can feel the charm of the Palace Culture as a whole and appreciate the depth of the palace culture in detail, through this they can also have a deeper understanding on the tangible products they buy. When the consumers get to know more about the cultural background behind the cultural and creative products of the Palace Museum, the higher possibility there is for them buying more of their products. [9] Additionally, the

implementation of an effective Software Asset Management (SAM) system is critical for all market participants in the cultural and creative industries, and SAM has become an indispensable umbrella for the industry on the road to cross-border and integrated development. [10] The success of POP MART and the Palace Museum suggest that for all companies in the cultural and creative industry, the cultural background and the product itself should closely connect with the internet and other new technology. So that it can enhance the connotation and quality of cultural creative products, shape cultural brand image, and improve the cultural market share.

4.4 Try to collaborate with other brands and companies to make a co-branded product in order to improve product popularity

One thing that POP MART are enthusiastic about recently is to co-branding with many other companies, even many of them are not in the same industry as POP MART. They co-branded with the skin care product company KIEHL'S and made a face cream product with the cute DIMOO (one of their IP) on it. After the launching of this co-branded product, the sales of this cream have increased somewhat compared to the past. They also cooperated with a food factory called Holiland, the made blind box cakes with another IP Pucky. This move also promoted the sale of Holiland and gained more fame for POP MART's Pucky. According to POP MART's experience, co-branding with a company from a different industry can help both sides gain more popularity by causing a crossover of two different consumer groups, bringing more potential consumers to both sides of the co-branding. This is critical for all cultural and creative companies, as one of the characteristics of cultural and creative products is a high level of integration. The cultural and creative aspects of these products can be applied to a wide range of products, necessitating a higher level of creativity and imagination. Another important strategy that a good cultural and creative product should employ.

4.5 Use new media (such as internet celebrity) to help promote their products

With the rapid development of we-media in recent years, increasingly we-media people began to enter different platforms and received a lot of attention and affection on the internet; these "internet celebrities" are becoming more and more influential. POP MART has also done a fantastic job, connected many internet celebrities and usually given them their new products before they are released. Their aim is to let these internet celebrities to help them to do the product publicity warm-up. Through making unique and interesting style short videos or live streaming, these internet celebrities can express the concept and highlight of the new products clearly to their fans. Using the power of these internet celebrities, POP MART can get attach to a large number of consumers in the fastest way. POP MART even have some connection with many stars and celebrities, with their fame, it is even faster and easier to promote their products. Make full use of the fan economy, which means take advantage of the psychology of fans to promote the new products. This has an even better effect for the products' marketing and promotion. If one wants to succeed in this market, one has to try its best to make full use of the social media and the celebrity charm.

5. Discussion

This paper analyzes and concludes the characteristics of cultural and creative products, which can help people gain a better understanding of these products. This paper also conducts a thorough analysis of POP MART's marketing strategy using the 4Cs marketing theory. The analysis is a good example of how to put this theory into practice. Moreover, the marketing strategy analysis provides some examples for some cultural and creative businesses. Then we conclude some key points that lead to success in the cultural and creative product industry. This provides some useful ideas for many cultural and creative companies to try to decide their product design and marketing strategies. It also provides many enterprises with ideas for improvement and transformation.

However, there are some limitations to this paper, but we find some future directions. In this paper, we only analyze one enterprise in this industry, which may not be representative of all types of cultural and creative product enterprises, and some of the ways to improve may not be appropriate for all

enterprises. Because fashion and the market are constantly changing, we can only see that POP MART has made some progress by implementing these strategies; we cannot guarantee that this will continue to work in the future. If something happens, such as technological innovation and policy change, further research is needed for development and even transformation.

6. Conclusion

This paper concludes the basic features and flaws of recent cultural and creative products by analyzing POP MART's marketing strategies. Despite the fact that different types of cultural and creative products are quite different from one another, we summarize the common characteristics of these products. The analysis clearly explains the secret to POP MART's success. This paper answers the question of what makes a successful cultural and creative product by analyzing the marketing strategies of a representative company. It raises some useful suggestions and ideas for other businesses to learn from and improve themselves in various areas. These helpful strategies may even provide some direction for cultural and creative businesses looking to do international business.

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